Uinta and Ouray Indian Reservation Proposed Federal Implementation Plan for Existing Oil and Natural Gas Well Production Facilities – OMB Briefing

Who: This rule will apply to any person who owns or operates an existing oil and natural gas production facility in the Uinta Basin of eastern Utah and facilities located on Indian country lands within the Uintah & Ouray (U&O) Reservation.

What: EPA Region 8 is proposing to promulgate a Federal Implementation Plan (FIP) under the Clean Air Act (CAA) specific to the U&O Reservation. In the FIP, the EPA proposes to regulate volatile organic compound (VOC) emissions from existing facilities in the production segment of the oil and natural gas sector that are located on Indian country lands in the Uinta Basin.

Why: Ozone levels in the Uinta Basin have exceeded the ozone standard numerous times and represent a serious public health concern. Approximately 98 percent of VOC and 60 percent of NOx emissions released in the Uinta Basin are from existing oil and natural gas production operations under the Clean Air Act. Furthermore, approximately 78 percent of oil and natural gas sources are on Indian country lands within the U&O Indian Reservation which are largely unregulated, with no control obligations. The proposed FIP will fill a regulatory gap with regard to controlling VOC emissions from existing sources within the U&O Reservation that are not covered by the proposed national FIP for Indian country. The requirements in this FIP are intended to address the two concerns of compromised air quality in the Uinta Basin and inconsistent regulatory requirements across Indian country and State of Utah jurisdictions.

How: The EPA proposes to establish federally enforceable requirements for owners and operators of existing oil and natural gas well production facilities to reduce the VOC released during the production (and storage, which is part of production) of hydrocarbon reservoir fluids prior to being transferred off site for sale or treatment. This rule will be implemented by EPA (or by the Ute Indian Tribe, if delegated the authority to do so) until replaced by an EPA-approved Tribal Implementation Plan (TIP).

The proposed rule requirements are generally consistent with other Region 8 states' requirements for crude oil, condensate, and produced water storage tanks, glycol dehydrators, pneumatic pumps, closed-vent systems, enclosed combustors and utility flares, pneumatic controllers, tank truck loading and unloading, and equipment leak detection and repair. However, we are proposing levels of control that seek primarily to make requirements across the Uinta Basin consistent and to protect air quality. Therefore, the requirements in the proposed rule most closely reflect Utah Division of Air Quality requirements for existing oil and natural gas production facilities in the Uinta Basin.

Status: The draft FRN has been circulating within EPA Region 8, OAQPS and OGC at the staff level since mid-November. We are currently responding to comments from this internal review. The proposed U&O FIP was listed as Tier 3 in the ADP Tracker and we submitted a justification for non-significance for OMB's consideration. The Office of Policy sent this action with the latest batch of non-significant actions to OMB in early January, and OMB requested a briefing from Region 8.

Headquarters Contacts: Mike Koerber, Associate Director for Policy, OAQPS **Region 8 Contacts:** Carl Daly, Air Program Director; Deirdre Rothery, Unit Chief



